

FREE GUIDE

Your Home, Your Retirement: A Friendly Guide to Reverse Mortgages



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A Note from Angella



Your home may be the largest asset you own, and it can do more for your retirement than you might expect. I wrote this guide so you can learn how a reverse mortgage works, at your own pace, with no pressure and no obligation.

For nearly two decades I've helped homeowners and their families compare retirement mortgage options. The questions I hear most are covered here: how much you can access, whether you can use one to buy a new home, how it fits a long retirement, and what happens when the loan comes due.

Read it, share it with your family or financial advisor, and jot down your questions. When you're ready, I'm happy to walk you through your own numbers.

With gratitude,

Angella Conrard, CRMP

Retirement Mortgage Professional

Reverse Mortgage Basics

A reverse mortgage lets homeowners 62 and older (55 and older with some private programs) turn part of their home equity into tax-free cash, with no monthly mortgage payment required. You keep the title, you keep living at home, and you stay in control of how the money is used.

How it works

You own your home.

Your name stays on the title, just like a traditional mortgage.

No monthly mortgage payment is required.

You can make voluntary payments anytime, with no prepayment penalty.

The balance grows over time.

Interest and fees are added to the loan instead of being paid each month.

You keep up the basics.

Live in the home as your primary residence, pay property taxes and homeowners insurance, and maintain the property.

It is a non-recourse loan. You or your heirs will never owe more than the home is worth when the loan is repaid.

Ways to receive your funds

You choose what fits your plan, and you can often combine them:

Option	How it works	Great for
Cash lump sum	Funds at closing	Paying off a current mortgage, a big project, or a home purchase
Line of credit	Draw what you need, when you need it; unused funds grow over time	Supplementing your retirement income, paying off high-interest credit cards or other costly debt, and a safety net for healthcare, repairs, or market downturns
Tenure advances	Equal payments for as long as you live in the home	Steady, predictable cash flow
Term advances	Equal payments for a set number of years	Bridging a gap, such as delaying Social Security



Who is eligible?

- ✓ At least one borrower is 62 or older for a HECM (some private programs start at 55)
- ✓ The home is your primary residence
- ✓ You have enough equity, and any existing mortgage can be paid off with the proceeds
- ✓ You complete a short session with a HUD-approved counselor (a helpful, independent review of your options)
- ✓ You can show you're able to keep up with taxes, insurance, and upkeep

Single-family homes, 2- to 4-unit homes you live in, HUD-approved condos, and many manufactured homes can qualify. Condos that are not HUD-approved can often qualify with a proprietary (jumbo) reverse mortgage. A spouse under 62 can often be included as an eligible non-borrowing spouse, which protects their right to stay in the home. If something in your situation seems unusual, let's look at it together: many "maybe" situations have a solution.

Clearing up common myths

What people hear	What's actually true
"The bank takes your home."	You keep the title and ownership for as long as you meet the loan terms.
"My kids will inherit debt."	It's non-recourse. Heirs never owe more than the home's value, and any remaining equity is theirs.
"It's only for people who are struggling."	Many financially secure retirees use it as a planning tool to protect investments and add flexibility.
"I can't have a mortgage already."	Most borrowers use part of the proceeds to pay off their current mortgage and end that payment.
"It's too expensive."	Closing costs are similar to a traditional mortgage, and most can be financed into the loan.

Jumbo Reverse Mortgages for Higher-Value Homes

If your home is worth more than the FHA lending limit, a jumbo (proprietary) reverse mortgage can open up far more of your equity. For 2026, the federally insured HECM is based on a home value of up to \$1,249,125. Jumbo programs are offered by private lenders and can reach loan amounts up to \$4 million.



Why homeowners choose a jumbo reverse mortgage

- ✓ **Access more equity.** Proceeds are based on your home's full value, well above the FHA limit.
- ✓ **No FHA mortgage insurance.** Jumbo loans skip the HECM's upfront and annual insurance premiums, which can lower costs.
- ✓ **Start sooner.** Some programs are available at age 55 in many states.
- ✓ **More property flexibility.** Condos that are not HUD-approved can still qualify.
- ✓ **Flexible payout choices.** Options include a cash lump sum and, with select programs, a line of credit that can grow over time.

HECM and jumbo at a glance

	HECM (FHA-insured)	Jumbo (proprietary)
Minimum age	62	55+ with some programs, depending on state
Home value used	Up to \$1,249,125 (2026)	Up to the full value of the home, with loans up to \$4 million
Mortgage insurance	Yes, upfront and annual	None
Line of credit growth	Unused line grows over time	Available with select programs
Non-recourse	Yes	Yes
Required counseling	Yes	Yes

Angella's Tip: The right choice depends on your home's value, your age, and how you plan to use the funds. I routinely run both HECM and jumbo side by side, so you can see the numbers and pick what serves you best.

Buying Your Next Home with a Reverse Mortgage

A reverse mortgage for purchase (HECM for Purchase, plus jumbo purchase options) lets you buy a home that fits your next chapter, with no monthly mortgage payment required. You combine a one-time down payment with reverse mortgage proceeds and close in a single transaction.

Maybe you want a single-story home, a place closer to the grandkids, a warmer climate, or a community with more to do. This program helps you right-size without draining your savings.

How it works

- 1 Sell your current home** (or use savings) for the down payment.
- 2 Combine** that down payment with reverse mortgage proceeds to buy the new home.
- 3 Keep the difference.** Money you don't put into the new home stays in your savings for travel, healthcare, family, or peace of mind.



The down payment is typically about two-thirds of the purchase price. The exact amount depends on the age of the youngest borrower, interest rates, and the home's price. It must come from your own funds, such as savings, the sale of your current home, or a gift from family.

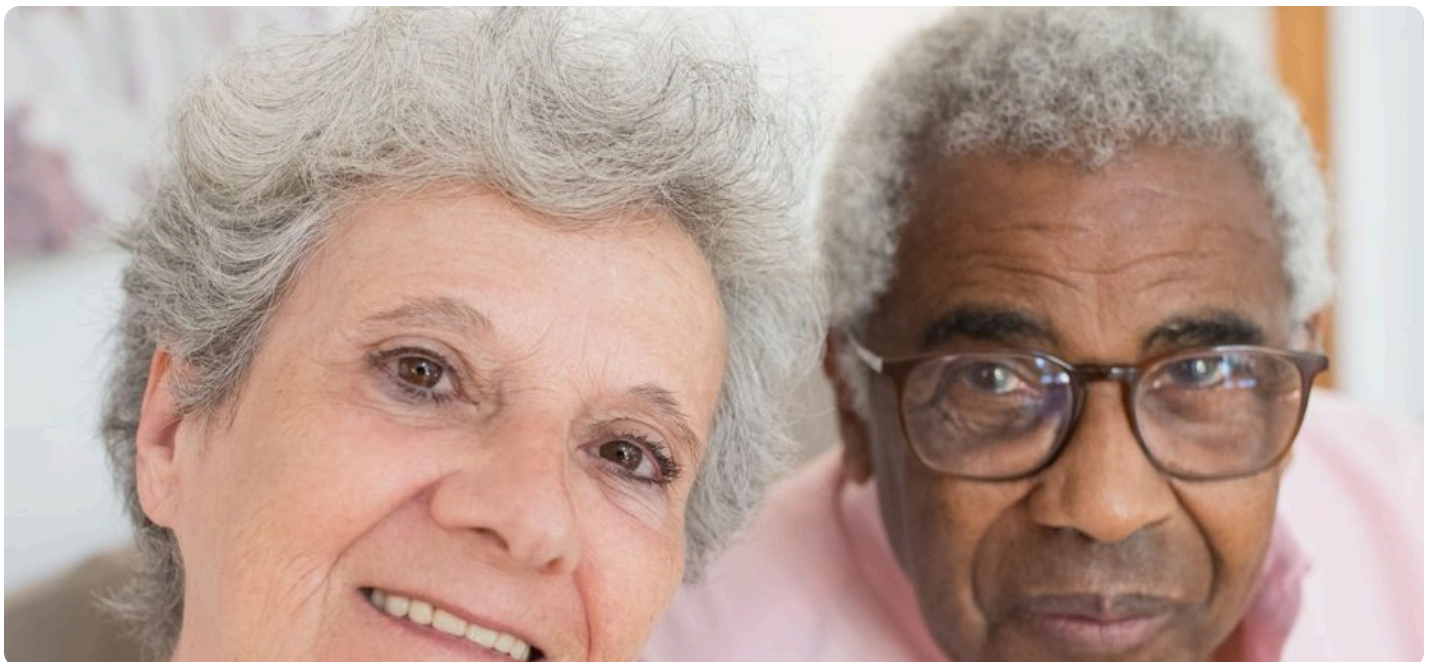
Compare your options

	All cash	Traditional mortgage	Reverse mortgage for purchase
Monthly mortgage payment	None	Required	Optional
Cash left over after the purchase	Least	More	More
Buying power	Limited to your cash	Depends on income to qualify	Boosted by loan proceeds
Owe more than the home is worth?	No	Possible	Never (non-recourse)

Program basics

- ✓ Youngest borrower is 62 or older (some jumbo programs start younger)
- ✓ The new home will be your primary residence, typically moved into within 60 days of closing
- ✓ Eligible homes include single-family, HUD-approved condos, townhomes and PUDs, and qualifying manufactured homes; jumbo programs can work for higher-priced homes and condos that are not HUD-approved
- ✓ HUD-approved counseling is part of the process

Angella's Tip: Talk with me before you make an offer. I'll coordinate with your real estate agent so the purchase contract, timeline, and closing all line up smoothly.



Making Your Money Last Longer in Retirement

Used thoughtfully, home equity can help your savings last longer. For most retirees, the home and Social Security are the two largest assets they own. Leading retirement researchers, including Wade Pfau, Ph.D., CFA, have found that coordinating home equity with your investments can improve the odds that your savings last a lifetime.

The challenge: bad timing in the market

When the market drops early in retirement and you keep withdrawing from your portfolio, you sell investments at low prices. Those losses are hard to recover from, even after the market bounces back. Planners call this sequence-of-returns risk.

The solution: a buffer asset

A reverse mortgage line of credit can act as a buffer. In a down year, you draw from the line of credit instead of your portfolio, giving your investments time to recover. In good years, you go back to your portfolio and can even pay down the line of credit if you like.



Five ways retirees put home equity to work

Strategy	How it works	Why it helps
Open a standby line of credit early	Set up the line of credit now and let the unused portion grow	Research found this offered the strongest protection for long retirements
Buffer for down markets	Draw from the line in years your investments are down	Reduces sequence-of-returns risk and protects your portfolio
Eliminate a mortgage payment	Pay off your current mortgage with the proceeds	Frees up cash flow every month without lifestyle sacrifice
Bridge to bigger Social Security	Use term advances while you delay claiming	Each year you delay, up to age 70, increases your benefit
Tenure advances	Receive steady payments for as long as you live in the home	Adds predictable cash flow alongside Social Security and pensions

Why opening the line of credit early matters

With a HECM, the unused line of credit grows over time, at the same rate as the loan's interest and mortgage insurance. It grows whether or not your home value rises. Opening it at retirement, rather than waiting until you need it, can mean much more available credit later in life.

Other benefits worth knowing:

- ✓ **Tax-free proceeds.** Reverse mortgage funds are loan proceeds, not taxable income, which can help with tax bracket planning. Check with your tax professional for your situation.
- ✓ **Guaranteed access.** The HECM line of credit can't be frozen or reduced the way a traditional HELOC can.
- ✓ **Funds for what matters.** Healthcare, in-home care, home updates for aging in place, helping family, or travel.

Angella's Tip: I love working alongside financial planners and CPAs. Share this guide with your advisor, and we can build a plan together that fits your whole retirement picture.

What Happens When the Loan Becomes Due?

The loan is repaid when the last borrower (or eligible non-borrowing spouse) leaves the home for good, and your family always has choices. Your family decides what happens to the home, any remaining equity belongs to you or your heirs, and no one ever owes more than the home is worth.



When does it become due?

The loan comes due after a "maturity event," such as when the last borrower:

- ✓ Passes away
- ✓ Sells the home or transfers the title
- ✓ Moves out permanently, or lives elsewhere for more than 12 consecutive months, such as in a care facility
- ✓ Doesn't keep up with property taxes, insurance, or upkeep (your servicer works with you on options to stay current)

For couples: If both spouses are borrowers, the loan isn't due until the second spouse leaves the home. The surviving spouse keeps living there and can still access remaining funds. A spouse under 62 who qualifies as an eligible non-borrowing spouse can also stay in the home.

Your heirs' three choices

Choice	How it works	What happens to the equity
Keep the home	Pay off the loan with savings or a new mortgage. If the balance is more than the home's value, they can keep it for 95% of its appraised value.	The home stays in the family
Sell the home	Sell, repay the loan from the proceeds	Everything left over goes to the heirs
Hand over the keys	Sign a deed in lieu of foreclosure if the balance exceeds the home's value	Heirs owe nothing, thanks to non-recourse protection

The timeline, step by step

- 1 Contact the loan servicer right away.** Their phone number is on the monthly statement. Many deadlines start from the date of passing, not the date the servicer hears about it.
- 2 Watch for the "due and payable" letter.** Within about 30 days the servicer mails the loan balance and repayment options. Respond within 30 days.
- 3 Take up to six months to settle.** The family can sell, refinance, or pay off the loan in this window.
- 4 Ask for extra time if needed.** Two 90-day extensions may be available with HUD approval, with proof the home is listed or financing is in progress.
- 5 Close it out.** The loan is repaid, and any remaining equity goes to the heirs.

Interest and property charges continue during the settlement period, so moving promptly keeps more equity in the family.

Angella's Tip: The best gift you can give your family is a conversation. Invite your adult children to our meeting so they know your plan, your servicer's contact information, and their options. My door stays open to your family, too.

Your Next Steps

The best first step is a friendly, no-obligation conversation where we look at your own numbers. Use these questions to think through what matters most to you.

Questions to ask yourself

- What do I want my retirement to look like in five and ten years?
- Do I want to stay in my home, or move somewhere that fits me better?
- Would ending my monthly mortgage payment make life easier?
- Would an unexpected expense, or a down market, throw my plan off track?
- What do I hope to leave for my family, and have we talked about it?
- Would my financial advisor or CPA like to be part of the conversation?

Questions to ask me

- How much could I access with a HECM compared with a jumbo reverse mortgage?
- Which payout option fits my goals best?
- What would the costs be, and how much can be financed into the loan?
- How could a line of credit work alongside my investments?
- What would my family need to do when the loan comes due?

What working together looks like

- 1 **A relaxed conversation.** We talk about your goals, and I answer every question.
- 2 **Your personalized estimate.** I run HECM and jumbo options side by side so you can compare.
- 3 **Independent counseling.** A HUD-approved counselor reviews the program with you.
- 4 **Application and appraisal.** I guide you through each document and keep you updated.
- 5 **Closing and beyond.** You sign, and I stay available to you and your family for years to come.

Let's talk

I'd love to help you explore your options, with no pressure and no obligation.



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Book a time: calendly.com/reverse-mortgages

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Book a time



Important Disclosures

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This material has not been reviewed, approved or issued by HUD, FHA or any government agency.

Sources

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- Wade D. Pfau, Ph.D., CFA, "Incorporating Home Equity into a Retirement Income Strategy," *Journal of Financial Planning*, April 2016
- National Reverse Mortgage Lenders Association, "What Do I Do When My Loan Is Due?"